

**IN THE UNITED STATES DISTRICT COURT**  
**FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	:	<b>CRIMINAL NO.</b>
	:	
<b>v.</b>	:	<b>DATE FILED:</b>
	:	
<b>CAROL O'CONNOR</b>	:	<b>VIOLATIONS:</b>
	:	<b>26 U.S.C. §7201 (tax evasion - 1 count)</b>
	:	

**INDICTMENT**

**THE GRAND JURY CHARGES THAT:**

At all times material to this indictment:

1. Defendant CAROL O'CONNOR was the owner of CSI Payroll Services, Inc. ("CSI"), a payroll services company located in the Eastern District of Pennsylvania.
2. MRS Associates ("MRS"), a collection agency located in Cherry Hill, New Jersey, hired CSI to perform payroll services for MRS. These services required CSI to prepare paychecks for MRS employees, file Form 941 tax forms with the Internal Revenue Service ("IRS") and remit payroll taxes owed by MRS to the IRS.
3. From on or about April 15, 1996 through on or about April 15, 1999, at Philadelphia in the Eastern District of Pennsylvania, defendant

**CAROL O'CONNOR**

willfully engaged in a continuing attempt to evade a large part of the payroll tax due and owing by MRS, a company that defendant CAROL O'CONNOR was paid to represent, for the calendar years 1996 through 1999, through various means. As a result of this course of conduct, O'CONNOR evaded the payment of approximately \$2 million in payroll taxes.

4. As part of this attempt to evade payroll taxes owed by MRS Associates, CAROL O'CONNOR did the following:

a She collected the payroll taxes due from MRS by electronically withdrawing the funds from the MRS bank account located in Cherry Hill, New Jersey and transferring the funds to the CSI bank account located in Philadelphia, Pennsylvania.

b. She completed Form 941s and falsely represented to MRS that the forms had been filed with the IRS and further falsely represented to MRS that the payroll taxes owed by MRS were paid to the IRS.

c. For the fourth quarter of 1996, all of 1997, 1998 and the first three quarters of 1999, she failed to file the Form 941 and failed to pay the payroll taxes due and owing by MRS.

In violation of Title 26, United States Code, Section 7201.

**A TRUE BILL:**

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**FOREPERSON**

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**PATRICK L. MEEHAN**  
**United States Attorney**